Stage-Managing That White House Probe In Vietnam, P. 3

The Black Revolt Brewing In The South's "Integrated" Schools

Black students will not sit in segregated classrooms in "integrated" schools; will not attend educational dumping grounds on the basis of standardized tests; will not arrive and leave, eat, and have recess, at separate times from their white schoolmates; will not allow "Dixie" to be sung at school assemblies; will not be expelled from schools for defending their rights; will not be excluded from honor societies and football teams, and will not allow their black teachers and principals to be dismissed and demoted."—*Julian Bond, before the Senate Select Committee on Equal Education Opportunity, June 15.*

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The Realities Behind Nixon's Inane Economic Report

Even Nixon didn't think much of his speech on the economy. He avoided prime TV time and spoke at noon when millions fewer would be listening. The *Wall Street Journal* disclosed next day that he had tried to limit the broadcast to the radio and went on TV only because the television networks pressed for permission to carry it. When Nixon and his public relations men prefer to hide his light under a bushel, they themselves must think it rather dim. Not since Herbert Hoover has a President faced an economic crisis with proposals so feeble and a rhetoric so irrelevant. "Wall Streeters Yawn at Nixon Statement," said a derisive headline across the financial page of the *Washington Post* next morning. Before Nixon spoke, trading on the stock exchange was brisk. In expectation of some invigorating announcement, the Dow-Jones index jumped 5 points in the first hour. After the speech, it went down steadily and closed 1.58 points below the day before. Nixon must feel that Wall Street, too, is full of bums.

An Odd Kind of Activism

The rhetoric, in its simple-minded evocation of free enterprise and its benefits, sounded like Hoover. So did Nixon's remedies: evangelistic exhortations, this time against price-wage sinners—Billy Grahamism in economics—and the appointment of another investigating commission, this time on productivity. As a young editorial writer during the Great Depression, I remember vividly how Hoover like Nixon evaded decisions by appointing fact-finding commissions* and then in turn evaded the facts when found. "This is an activist administration," Nixon said in his economic address. Dodging hard issues is not usually described as activism.

The more the Nixon speech is studied the sillier and more confused it appears to be. "I will not take this nation down the road of wage and price controls," Nixon said, "however politically expedient they may seem." The implication is that he is a big, bold fellow who eschews political expediency. But though wage and price controls in some form look more and more necessary, it is doubtful that their imposition would be politically expedient. Labor doesn't like wage control and business doesn't like price control. Everybody would like to control the other fellow's prices but not his own. Nixon said this was no time for Congress "to play politics with inflation" by passing legislation giving him standby powers to impose such controls. The reference is to HR 17880 introduced June 2 by Congressmen Patman, Reuss and others giving the President authority to institute a temporary freeze on all prices, rents, wages and salaries. "Playing politics" is a curious way to describe an offer by the Democratic liberals in the House to share with a Republican President the political risks of a wage-price freeze.

Nixon said at one point, "We cannot protect the value of the dollar by passing the buck." This bargain basement *bon mot* boomerangs. He himself passes the buck by discovering a new "social responsibility" in labor and capital and says "Now is the time for the social concern to take the form of specific action on the wage-price front." He is not even specific about what he wants them to do. Some anonymous cad at the White House briefing called this "wish-boning, not jaw-boning." Nowhere does Nixon face up to the tough question hidden in such exhortation. How can a business man afford to exercise social responsibility by maintaining or reducing prices without some firm assurance that his competitors and suppliers will do likewise? How does a labor leader risk his job by opposing his own rank-and-file's demand for higher wages without similar assurance that his workers, after they forego a wage rise, will not have to face higher prices from less socially responsible business men?

Obviously such assurances can only be provided if the government takes the lead by setting standards and warning

(Continued On Page Two)

Telling Both Sides Of The Story Department (As Agnew Admonished Us)

President Nixon has criticized Congress for inaction on an emergency housing message of Feb. 2 but there was no such message, Rep. Patman (D., Texas) said today. "The truth is that the President was talking about a nonexistent presidential message. He even purported to quote from this nonexistent message," Mr. Patman said. "The only thing that happened on housing on February 2 was the opening of hearings in the House Banking and Currency Committee." Mr. Patman said administration witnesses appeared only late in February before his committee and even then had no specifics to offer. It was only after the Senate passed a bill, he went on, that the administration asked for House approval April 28, calling this the Emergency Home Finance Act of 1970.

—*Baltimore Sun, June 16.*

An aide to Romney who was present when the President spoke out on Friday acknowledged yesterday that he had winced when Mr. Nixon claimed he sent Congress a housing bill and a message. The aide, who asked not to be identified, said he promptly told John Erlichman, Mr. Nixon's top domestic assistant. . . .

—*Bernard Nossiter,* Washington Post, *June 16.*

***Another example: Nixon's appointment of a commission to investigate campus disorders (a euphemism for student killings) on which Agnew made a fool of himself again.**

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(Continued From Page One)

that it will by coercion or unpleasant publicity put the heat on the less socially responsible. Nixon shut the door on such leadership by his remark about "some people" who "get satisfaction out of seeing an individual business man or labor leader called on the carpet and browbeaten by government officials." The phrasing is intended to show what a humane fellow *he* is. Less prominent people who act in a socially irresponsible way by humbler forms of pocket-picking are lucky to get away with no more than a browbeating.

Everybody's Business Nobody's Business

"The fight against inflation," Nixon said, "is everybody's business." Everybody, it seems, but Nixon's. Everbody's business in a capitalist society is nobody's business. Where the government does not lead, others will not—indeed very often cannot—follow. Capitalist economics does not rest on social responsibility but on the natural forces which police a free market. Nixon said at his first press conference last year that he did not go along with the notion that inflation can be controlled "by exhorting labor and management and industry to follow certain guidelines." Now he is going in for exhortation without even providing guidelines. At that press conference Nixon explained that while the leaders of capital and labor "might personally want to do what is in the best interests of the nation," they have to be "guided by the interests of the organizations they represent." The common interest calls for a curb on inflation. But each individual business and labor union hopes it can grab a slightly larger slice of the pie by being a little less socially responsible than the others.

As soon as you mention social responsibility, you bid goodbye to the philosophy of free enterprise. Classical economics was not based on any idea that capitalists would or could be socially responsible. Adam Smith, its founder, took a low view of their morals and had a realistic view of their behavior.* His economics was based on the belief that the competitive mechanisms of a free market would eliminate the gouger. He envisioned the natural forces of supply and demand turning the sum total of private greed, providentially, into the public good. In a free market as ideally conceived there is no need for social responsibility. When Nixon appeals to social responsibility he admits that we no longer have a wholly free market but one in which powerfully organized sectors of capital and labor can fix prices and wages at the expense of the unorganized, whether smaller business men, unorganized workers or elderly pensioners.

"Long before the art of economics had a name," Nixon said, "it was called 'political arithmetic.'" It is political arithmetic again. Democracy created the welfare state, and put limits on exploitation. An under-class of varied colors is now stirring in open revolt, and imposes new restrictions on policy.It is no longer politically possible to try to do what Hoover attempted in the 1930s and ask people to starve patiently until the forces of supply and demand make labor so cheap that capitalists will be lured by the prospect of widening profit margins to invest again. Today political danger signals flash red when the rate of unemployment gets to 5%, a very small margin indeed when compared to the Great Depression. Between popular social welfare expectations and the rigidities of administered prices and wages, there is little leeway for "normal" market mechanisms to operate any longer. Nixon sounds like Hoover but he cannot really act like him.

No one has solved the problem of creeping inflation in the modern social welfare capitalist state where full employment

*Almost 200 years ago, in a famous passage of The Wealth of Nations, Smith wrote "manufacturers complain much of the bad effect of high wages in raising the price, and thereby lessening the sale of their goods both at home and abroad. They say nothing concerning the bad effects of high profits. They are silent with regard to the pernicious effects of their own gains. They complain only of those of other people."

Savage, Yes, But Not Entirely Gratuitous

The Viet Cong's massacre of villagers 17 miles southeast of Da Nang is a hideous example of senseless fury . . . Since in such hideous circumstances the mind grasps for explanations, the official assumption is that because the hamlet was a so-called pacified area the Viet Cong . . . simply slaughtered helpless fellow countrymen in an act of gratuitous savagery.

—Baltimore Sun *editorial June 13.*

Thanh My, South Vietnam. (Reuters)—The Viet Cong massacred residents of this village last Friday because they gave U.S. forces information about guerrilla movements, an American officer said today. The officer said villagers had led U.S. troops to a Viet Cong rice cache and supplied information about the results of a U.S. artillery strike. "Because of this the VC decided to make the people here suffer," said Lt. Thomas S. Miller, 27, leader of a U.S. Marine Civic Action group.

—*Same paper June 17.*

Songs Helicopter Pilots Sing On Flag Day In Vietnam: "Napalm Sticks To Kids"

Phuoc Vinh, Vietnam—Across the border in Cambodia, it was just another Sunday of mud and cold C-rations, but for the palace guard at division headquarters it was a grand old Flag Day. In the Downtown Club, the main entertainment center, the concert band of the 1st Cavalry Division (Airmobile) was blaring out "Stars and Stripes Forever."

In a hooch on the other side of the base, a tape recorder reproduced the voices of a chorus of skytroopers singing a song entitled "Napalm Sticks to Kids":

Napalm sticks to kids, napalm sticks to kids,
When'll those damn gooks ever learn?
We shoot the sick, the young, the lame,
We do our best to kill and maim,
Because the "kills" all count the same,
Napalm sticks to kids.

Agreement was by no means complete on whether the skytroopers who wrote the song were protesting the war or mocking a "bad image" that many helicopter pilots and gunners feel they have acquired unfairly in the course of the war. "I guess it's just a sign of how sick and confused the whole business has gotten when we can't decide why we wrote something like this," one junior officer said.

Another skytrooper surveyed the giggling newsmen and soldiers gathered about the tape recorder and added: "You got to admit it captures the essence of something or other." None of the nearly two dozen verses written for the song to date ever sets forth precisely what that "something or other" is. One says:

There's a gook down on his knees,
Launch some fleshettes into the breeze,
Find his arms nailed to the trees,
Napalm sticks to kids.

Another says:

Blues (helicopter gunships) out on a road recon,
See some children with their mom,
What the hell, lets drop the bomb,
Napalm sticks to kids.

A cavalryman with access to a typewriter has made a mimeograph stencil of the song, but it is yet to be printed. The men in charge of the mimeograph machine, he explains, "said it wasn't official business."

—*John E. Woodruff from Saigon,* Baltimore Sun, *June 15.*

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is a political necessity. No one has fully mastered this arithmetic. The real criticism of Nixon is that while resisting the various forms of interventionism which liberals advocate to stem inflation, he does not have the courage honestly to apply consistent conservative remedies either. "All of us have to make decisions now," he said, in his leader-of-the-free-world stance, "which will profoundly affect the survival of a free economic system throughout the world . . . we shall set an example that will have great impact on the kind of economic system others choose." But his actions do not match his self-dramatization. The inflation which has been chronic since World War II in the capitalist world has been exacerbated by the Vietnamese war; we have been exporting our inflation to Western Europe and Japan. Nixon says we are in a transition from a war-time economy. The truth is that we did not—and still do not—have a war-time economy. Truman fought the Korean war with only moderate inflation by imposing excess profits and other wartime taxes along with wage and price controls. Johnson fought the Vietnamese war without such ceilings on profits, prices and wages just as Nixon is continuing to do. Johnson financed the war by what is called monetary expansion, the modern form of "printing press" money. The result was a speculative boom. The whole "free world" is suffering from the inflationary after effects.

The First Essential: End The War

The first essential to ending the inflation is to end the war. The second, if Nixon wants to apply conservative remedies, is to create a budget surplus by imposing higher income taxes especially in the higher brackets. He shows no willingness to do either. The Cambodian "incursion" was only the first step into a larger quagmire and a longer war. In the coming fiscal year, he boasts, "we plan to spend $5.2 billion less" on the military than in fiscal '69. The actual cost of the Vietnamese war is still secret but before the curtain fell Secretary Laird said that by June 30 of this year the cost would be down to an annual rate of $17 billion. He implied that this would fall even lower during the coming fiscal year as more troops are withdrawn. All that was before Cambodia. But even if all goes as well as Nixon forecasts this $5.2 billion is a pretty poor showing. In fiscal '69 the war cost $28 billion. If it costs less than $17 billion in fiscal '71, as Laird indicated, the saving should be more than $11 billion or twice the $5.2 billion Nixon claims he will save. The rest of that vanished "peace dividend" would be enough to more than wipe out the deficits he now projects for '70 and '71.

From The One Dissenting "Fact-Finder"

The acid test of the Cambodian action is not the tactical gains or losses; it is whether we have widened the war or whether the action will help us get out of Vietnam more quickly. I could not obtain an unequivocal reply to my inquiry about whether the Cambodian action justified an earlier withdrawal. Not one American official with whom I talked—from Ambassador Bunker and General Abrams on down—would recommend an acceleration of troop withdrawals as a result of our operations in Cambodia.

I do know, however, that the monthly withdrawal rate proposed between now and October is 20 percent below the schedule followed during the early months of this year. The use of American and South Vietnamese troops in Cambodia already has led to a reduction in allied troop strength in South Vietnam. Further reduction at the present time might spread the remaining forces too thin.

—Sen. McIntyre (D., N.H.) *the one dissenter on that White House fact finding mission to Indochina. Text at p. S8805 Congressional Record June 11.*

Despite cutbacks in personnel and in procurement, our military machine is still fueling the fires of inflation, in a time of fiscal crisis. There is no real sign of that "historic reordering of our national priorities" which Nixon claims to be instituting. The phrase is another example of how every promising national slogan turns up in his speeches in bogus form. Another was his "we need no artificial dependence on the production of weapons of war." Even as he spoke he pushed ahead with ABM and MIRV to a more costly stage of the arms race without waiting to see what the SALT talks can produce. Nowhere are his promises more counterfeit than in the sphere of military policy.

Even his conservatism is bogus. In a free enterprise system the biggest contribution the government can make to stabilization and recovery is not only to balance the budget but to create a budgetary surplus. The effect of a surplus would be to make the government a net lender instead of a net borrower in the credit markets, thus stimulating business by reducing the cost of money. But the Nixon Administration now admits that in its first two fiscal years—'70 and '71—it faces deficits instead of the slight surpluses it predicted last

(Continued On Page Four)

A Vivid On The Scene Report: The White House "Investigators" In The War Zones

President Nixon's fact finding mission returned to Washington recently after a tour of South Vietnam and allied bases in Cambodia. This VIP visit had something of a "see Europe in seven days" quality. The VIPs inspected three armies (American, Vietnamese, Cambodian) in the course of a single day.

The Congressional delegates are all members of Senate and House Armed Services Committees and, with the exception of Sen. McIntyre, Administration supporters on the war. (At an American fire support base ten miles inside Cambodia, a young U.S. Army lieutenant looked over the names of the VIPs and commented: "looks like the President has preprogramed his feedback.")

The VIPs, in spanking new army fatigues, visited the Mekong Delta south of Saigon. The VIP cavalcade—with screaming sirens and flashing red lights—roared through the shantytown suburbs of Can Tho to a defector center where former Vietcong were lined up to give them three well orchestrated cheers.

The group then helicoptered to Huu Thanh village in Vinh Long province, a community destroyed during the 1968 Tet offensive, recently pacified and rebuilt. Briefers several times told the VIPs that the village had been "100% destroyed by the VC." Local Vietnamese officials and American advisers noted privately at least half the village had been destroyed by American air strikes.

At the headquarters of General Ngo Dzu the VIPs inspected neatly arranged mountains of captured weapons. General Dzu plucked out a Communist rifle for President Nixon. Mr. Harlow of the White House gave the General a Nixon tieclip.

Half an hour before the visitors arrived [at a fire base] combat troops were kneeling in the mud taping VIP name tags on the backs of folding chairs flown in for the occasion. Other GIs were putting finishing touches on an expanded latrine. Others were arranging a table of cake and soft drinks, also specially flown in.

The VIPs were not aware that prior to their arrival Army barbers had arrived by helicopter to trim the GIs hair and shave off their beards. This was an unpopular move.

"Morale is bad, man, we're dragging," says one of a group of ten GIs. Others agree. "We're bushed and we're scared," says another. The VIP party arrives in a bevy of choppers. Mr. Klein of the White House staff asks about the morale of the GIs. "Exceptional," says the Colonel giving the briefing.

—Peter Kann from Saigon: Wall St. Journal *June 16* (abr).

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Nixon Moves Toward Fresh Inflation To Win The Next Election

(Continued From Page Three)

February and that there will also be a deficit in '72. Three deficits in a row is a strange record for a conservative Administration which claims to be fighting inflation.

A Counterfeit Keynesianism

The fact is that Nixon has already eased up on the fight for a balanced budget and on the tight money policy because he would like a stock market boomlet in time for the November elections. It is indicative that the U.S. Chamber of Commerce, one of his firmest supporters, has shifted its position in line with his new political tack. Its board of directors has just passed resolutions endorsing the Nixon message and reaffirming its belief in a balanced budget but asserting "this may not be possible for fiscal 1971 since under present circumstances efforts to achieve a balance might frustrate recovery later this year and early next year." Apparently to keep the Republicans in power the U.S. Chamber of Commerce is prepared to abandon classical economics for a counterfeit Keynesianism and renewed inflation.

A genuine "free enterprise" policy would increase income taxes in the upper brackets, or at least reinstitute the 10 percent surtax. That would bring in about $10 billion, more than enough to take care of current deficits and create a surplus. The easing of interest rates would help hard-pressed state and municipal governments to borrow for badly needed public services. This in turn would ease social discontent and increase employment, especially in construction. The spectacle of a conservative government with the courage to tax the well-to-do in order consistently to follow classic deflationary policies without imposing socially explosive burdens on the black and the poor would really set the rest of the "free world" an inspiring example.

A conservative Republican Senator, Miller of Iowa, raised the question of the surtax with Secretary of the Treasury Kennedy a few days ago. Kennedy was before the Senate Finance Committee June 18 to testify for Nixon's request that the debt ceiling be raised $18 billion to take care of the growing deficits. Miller wanted to know why the Administration didn't ask instead for continuation of the surtax. Kennedy replied that he didn't think this would be wise in the present unsettled state of the economy. What he really meant was that it wasn't politically wise for Nixon with an election coming on. The removal of the surtax entirely June 30 is most unwise from an economic point of view because it will give inflation a fresh shot in the arm.

Nixon's policies are geared not to free enterprise (under the limitations imposed by the welfare state) but simply to a political expediency designed to rally his well-to-do constituency. He sought last year to cut taxes in the upper brackets, though the loopholes even after "tax reform" remain scandalously high. Senator Gore in a Senate speech the other day put them at $45 billion a year! If there are to be new taxes Nixon prefers the value-added tax, a form of sales tax.

Nixon is setting up a phoney system of inflation "alerts." The real "alert" the country needs is to the political arithmetic with which Nixon hopes to win the next election by covert encouragement to fresh inflation. Let us put the course of events into perspective. Johnson put the cost of the war on the poor and the helpless elderly by financing it from their living standards by inflation instead of by taxing war profits. Nixon has been trying to deflate through a tight money policy and high interest rates which again put the burden on those who can least bear it—the small business man, the elderly pensioner, the unskilled worker and the poor. Now he is resorting to "reflation" to help his own political chances. Again this promises quick speculative returns for the well-to-do and a fresh upsurge in living costs for the poor. I will return to this subject in my next letter. *June 22*

Buying Asians To Fight Asians

Sen. Murphy: I do not consider these people mercenaries. They are not being hired by the United States to fight for the United States. They are asking for arms from the U.S. with which to defend their own freedom, their own right to self-determination, and their own right to carry out the policies of this Nation fixed by the last four Presidents. (Sic!)

Sen: Aiken: Is the Senator aware that it is far more profitable for the soldiers of some governments to fight in Vietnam than to fight insurgents in their own country? That a Thai lieutenant general receives $370 if he stays home? He receives a $450 bonus if he goes to Vietnam. That makes a total of $820 in all. And that applies all down the line. Is the Senator aware that a captain in Thailand receives $70 a month at home and that we pay him a $150 bonus, making $220 if he goes to Vietnam? So, when we talk about their not being mercenaries, I think the fact that they can get twice as much by fighting for us in a foreign country as they can by protecting their own country answers the question.

—In the Senate, June 11 (Con. Rec. p. S8828, abr).

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